







FRASER COMPANIES, LIMITED  
ANNUAL REPORT  
1968

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Madawaska, Maine.*

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**"THE EXCITING PRODUCT WORLD OF FRASER"** A special section in this report is designed to provide stockholders, customers and others interested in the Company with a better understanding of the products we make and the markets we serve.



**Directors and  
Officers**

**BOARD OF DIRECTORS**

E. R. ALEXANDER

F. PHILIPPE BRAIS

RALPH B. BRENNAN

H. ROY CRABTREE

F. RYLAND DANIELS

JOHN E. L. DUQUET

A. A. FRANCK

JOHN H. HEUER

ROY A. JODREY

DONALD E. KERLIN

A. L. PENHALE

FRANK H. SOBEY

EDWARD C. WOOD

**HONORARY DIRECTORS**

AUBREY CRABTREE

L. M. SHERWOOD

**EXECUTIVE COMMITTEE**

H. ROY CRABTREE, *Chairman*

RALPH B. BRENNAN

A. A. FRANCK

JOHN H. HEUER

ROY A. JODREY

A. L. PENHALE

FRANK H. SOBEY

EDWARD C. WOOD

**OFFICERS**

H. ROY CRABTREE  
*Chairman of the Board*

JOHN H. HEUER  
*President and Chief Executive Officer*

RALPH B. BRENNAN  
*Vice-President*

D. E. YORK  
*Vice-President — Finance*

C. R. RECOR  
*Vice-President — Operations*

J. K. BARRY  
*Vice-President — Sales*

L. W. MILLER  
*Vice-President — Sales, Fraser Paper, Limited*

E. S. McLEAN  
*Treasurer*

B. W. HICKS  
*Secretary*

M. B. ROBINSON  
*Controller*

H. P. HIERLIHY  
*Assistant Treasurer*

H. M. LOGAN  
*Assistant Controller*

## Financial Highlights

### FOR THE YEAR ENDED:

Net sales
Net income
Net income per Common share :*
From operations
From other than operations
Total

Cash flow
Cash flow per Common share*
Tons sold — paper, paperboard and pulp

### AT YEAR END:

Working capital
Shareholders' equity
Shareholders' equity per Common share*

\*Based on 2,300,202 shares outstanding in 1968 and 2,226,102 shares in 1967.

December 28 1968	December 31 1967
\$76,568,000	\$70,681,000
\$ 1,161,000	\$ 706,000
\$ .48	\$ .02
\$ .02	\$ .30
\$ .50	\$ .32
\$ 7,315,000	\$ 6,167,000
\$ 3.18	\$ 2.77
416,822	356,381
\$19,876,000	\$15,711,000
\$60,749,000	\$58,864,000
\$26.41	\$26.44

### STOCK TRANSFER AGENT AND REGISTRAR

Montreal Trust Company  
Montreal, P.Q.  
Toronto, Ontario  
Vancouver, B.C.  
Saint John, N.B.

### STOCK LISTED

Montreal Stock Exchange  
Toronto Stock Exchange

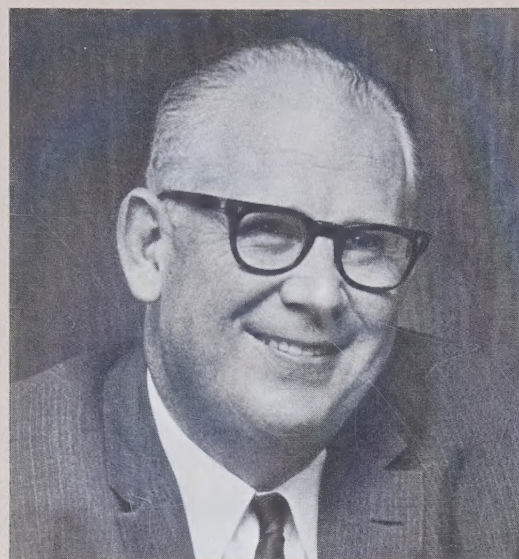
### THE ANNUAL MEETING

of the shareholders of Fraser Companies, Limited will be held at the general office of the Company at Edmundston, N.B., on Thursday, the 24th day of April, 1969, at the hour of ten o'clock in the forenoon, Atlantic Standard Time.





H. ROY CRABTREE  
*Chairman of the Board*



JOHN H. HEUER  
*President and Chief Executive Officer*

## **Directors' Report to the Shareholders**

The Consolidated Balance Sheet of Fraser Companies, Limited and its wholly-owned subsidiaries, and the Consolidated Statements of Income, Retained Earnings and Source and Application of Funds for the fiscal year ended December 28, 1968 are submitted herewith.

The Company has adopted a fiscal year, ending on the Saturday nearest the end of the calendar year, consisting of thirteen equal periods. This will provide more meaningful comparisons of operating results.

Net income amounted to \$1,161,000 or 50¢ per share on 2,300,202 shares outstanding at the end of fiscal 1968, as compared to \$706,000 or 32¢ per share on 2,226,102 shares in 1967. Operating income in fiscal

Fraser is pioneering the new Alden method of facsimile transmission of orders to the Madawaska Mills from the New York sales office.

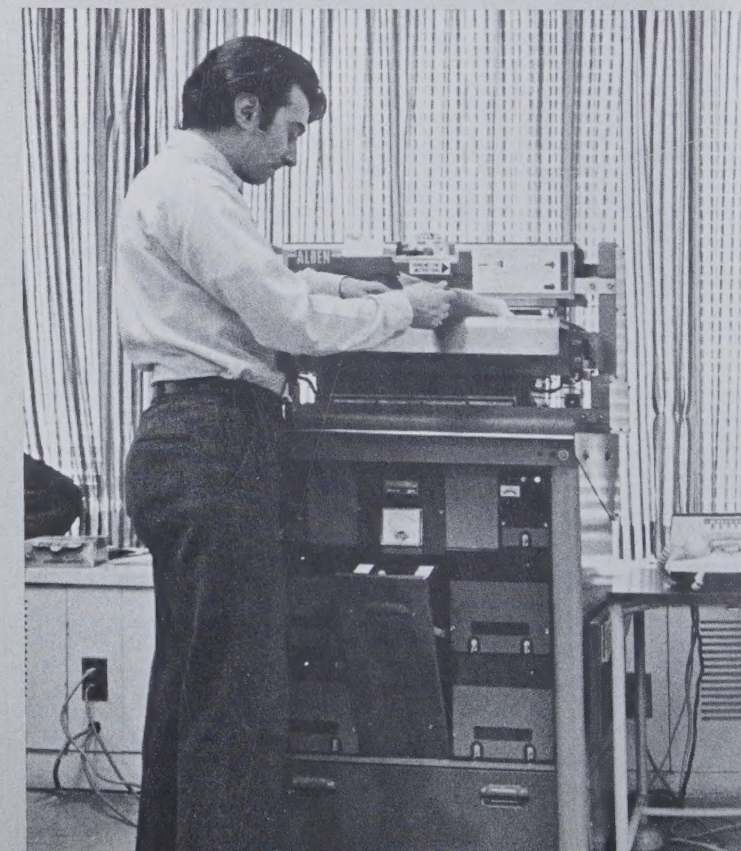
1968 amounted to 48¢ per share as compared to 2¢ per share in 1967.

Net sales for fiscal 1968 were a record \$76,568,000, representing record shipments of pulp, paper and paperboard of 416,822 tons. Market pulp from the Newcastle and Atholville mills accounted for about 86% of increased shipments. Low prices in the world pulp market offset our increases in productivity and sales. Prospects are for firmer markets in 1969. Lumber sales for fiscal 1968 were lower than 1967 sales which included the marketing of lumber inventory remaining after the Cabano mill was destroyed by fire in 1966.

A dividend of 10¢ a share was paid in December, the first since July 1967.

The bonded debt was reduced during the year by \$810,000.

A major change instituted during the latter part of the year was a move from the cyclical

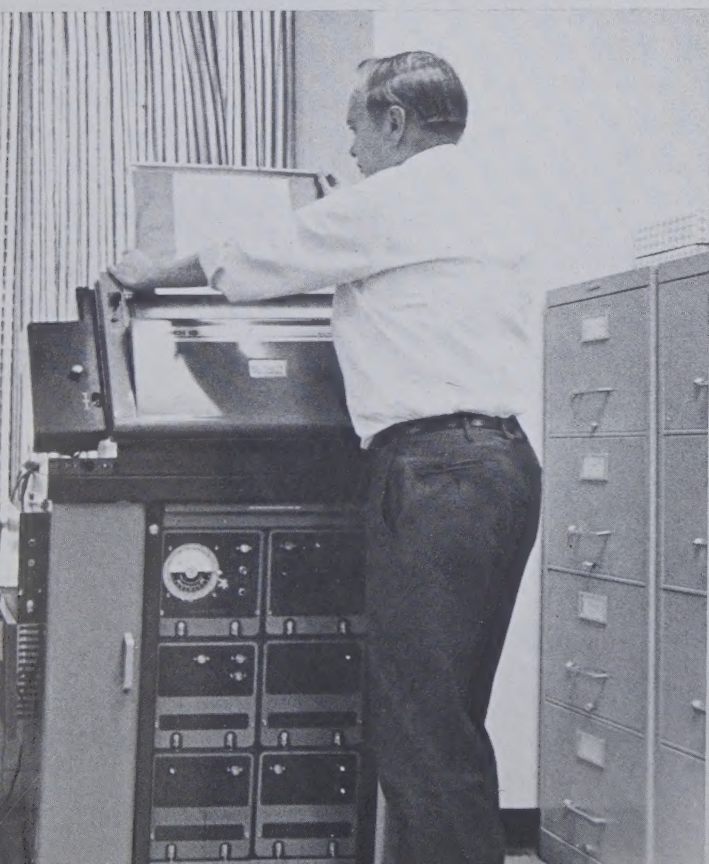




build-up of wood inventories to a policy of a continuous flow of chips and round wood to the mills. This, together with the more efficient utilization of our woodlands through increased sawmill operations, will add to the supply of available chips.

On October 31, the Company purchased all of the outstanding shares of W. H. Miller Company, Limited. This acquisition will increase our lumber capacity by approximately 16,000,000 board feet, and chips from this mill will go to Edmundston and Atholville.

At the Newcastle mill there were two major shutdowns for the installation of capital equipment. These, together with a substantial program for overall maintenance and repair, have resulted in consistently higher production levels of bleached, semi-bleached and unbleached kraft pulp for both internal consumption and the market.



A new computer system has been installed at the Company's Edmundston, New Brunswick office. It replaces a unit record tabulating system. This new system provides more speed, flexibility and efficiency in the Company's data processing applications.

Capital expenditures during fiscal 1968 amounted to \$2,573,000. Concurrent with stream improvement in the St. John River watershed the Company has been studying the overall future development of its mills in this area. Work on a new wood yard and wood handling facilities at the Edmundston mill has begun, and the first phase of this installation is expected to go into operation in the Spring. An additional high-speed, high-production paper machine for lightweight printing papers is being planned for Madawaska. This installation will permit an increase in the production of coated publication and lightweight groundwood grades.

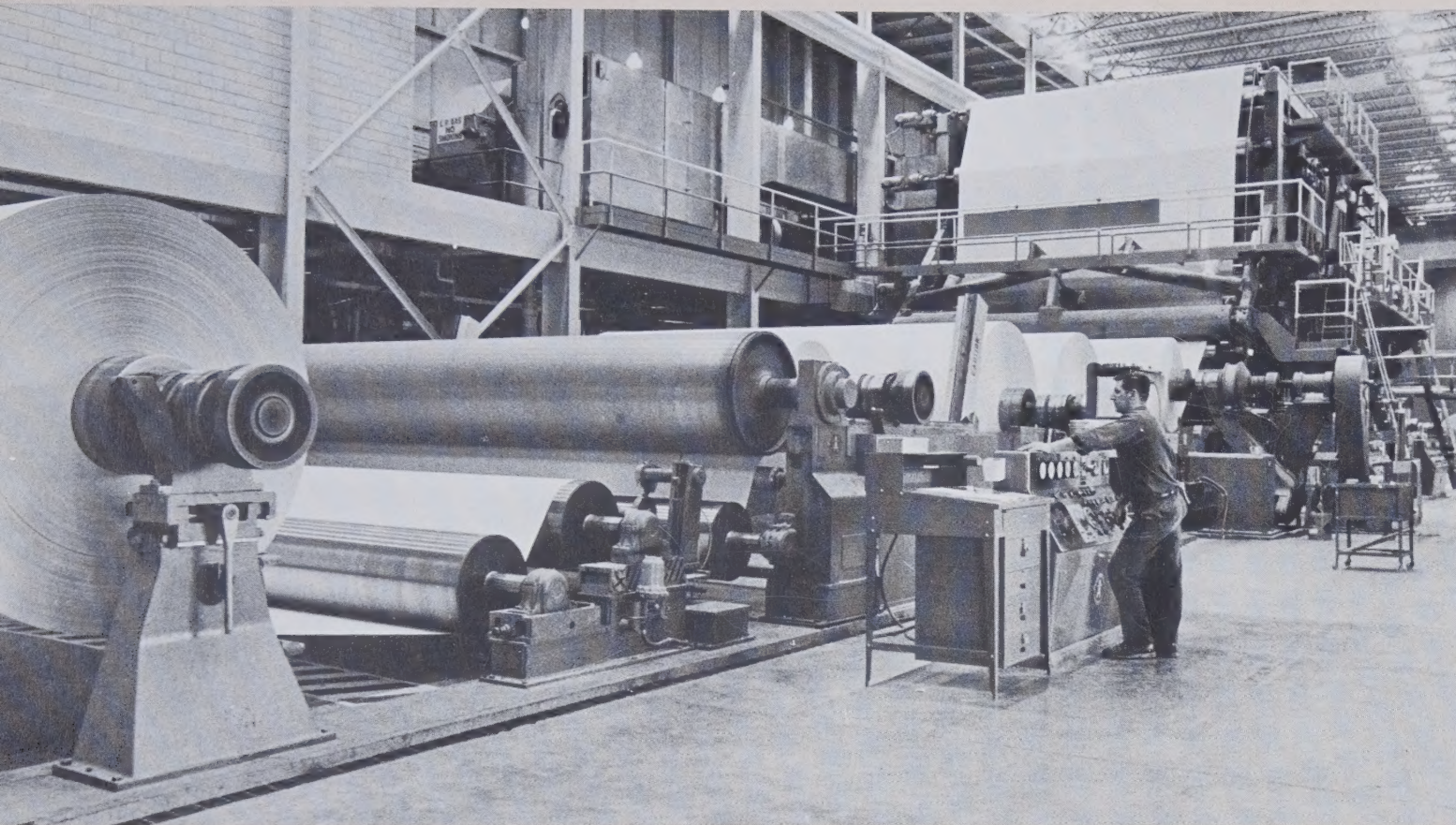
Early in fiscal year 1969 the Company's

investment in Rothesay Paper Corporation was increased from 22% to 26%, and the Company assumed a more active role in the affairs of that Corporation.

The Research and Development Department has been moved to Edmundston from Atholville, and emphasis is now being placed on paper end-products and developmental grades.

Once again the Company will be participating in the aerial spraying program for control of the spruce budworm with other pulp and paper companies and the Provincial and Federal Governments. The 1969 program will be somewhat greater than 1968 and between 2.5 and 3 million acres of New Brunswick woodlands will be sprayed.





The new off-machine blade coater in the Company's catalog mill at Madawaska, Maine, has successfully passed its trial runs and is now producing high quality coated publication papers.

In January 1969 an IBM 360 — Model 20 basic computer system was installed to replace the unit record tabulating equipment. This new system provides more speed, flexibility and efficiency in our data processing applications.

The new 3-year labour agreement at Madawaska and the 2½-year agreement for the New Brunswick pulp mills, which provide for seven-day operation, have resulted in improved efficiency at these mills.

In April, P. L. Hovey resigned as President of the Company and as a Director. J. H. Heuer was appointed President and Chief Executive Officer of the Company and was elected to the

Board of Directors. Subsequently, D. E. York, C. R. Recor and M. B. Robinson joined the Company as Vice-President — Finance, Vice-President — Operations and Controller respectively. Several other appointments were made from within the Company, including J. K. Barry as Vice-President Sales — Pulp, Paperboard and Lumber. L. W. Miller was appointed Vice-President Sales — Paper of Fraser Paper, Limited.

These and several other key employees participated in an employees' Stock Purchase Plan initiated about the middle of the year. Under this Plan, comprising a trust arrangement, 74,100 common shares of the Company were purchased by employees.

After many years of devoted service to the Company, K. W. Matheson, Senior Vice-President and C. T. Clark, Vice-President — Manufacturing, retired in June, and resigned as Directors of the Company, and W. A. Ketchen retired in July as Vice-President — Technical Services. It is proposed that Kenneth V. Cox and John A. Mulcahy be elected Directors at the Annual Meeting to fill these vacancies.

The Directors express their grateful appreciation for the continuing loyalty and support of our employees, customers and suppliers.

Submitted on behalf of the Board of Directors.

H. Roy Crabtree  
Chairman

J. H. Heuer  
President and Chief Executive Officer

Edmundston, New Brunswick.  
February 14, 1969.





THE EXCITING PRODUCT  
WORLD OF FRASER







The exciting product world of Fraser begins in the forests of New Brunswick and Quebec on more than three and a third million acres of prime timberlands. It is this extensive forest wealth, larger than the State of Connecticut or two and a half times larger than Prince Edward Island, which puts Fraser in a strategic position as the demand for forest products accelerates. From these forests flow lumber, pulp, paper and paperboard for use in a proliferating array of products. And, as the demand for recreational space grows, these same forests will help to satisfy that demand. Fraser has had a long-standing policy of multiple use of its forests. Under the multiple use concept, these lands have the dual function of providing forest products and recreation. Fraser has built and maintains more than 1,500 miles of logging roads. These roads are used primarily for the harvesting of wood. They also play a key role in the Company's fire protection program and provide easy access for the public to the Company's lands for recreation. Fraser has been harvesting its woodlands for more than fifty years. Despite many years of cutting these forests, Fraser today grows more trees than are being cut. This is because the Company manages its lands under a modern scientific forest management program, designed to produce a plentiful harvest of trees in perpetuity. To achieve optimum use of its woodlands, the larger logs are selected for lumber and the smaller logs are used for making pulp. During the Thirties, Fraser pioneered the practice of full utilization of sawlogs to produce lumber and chips. Today, chips from the Company's two lumber mills and others in the area are used in Fraser's pulp mills.



## FRASER'S QUALITY LUMBER

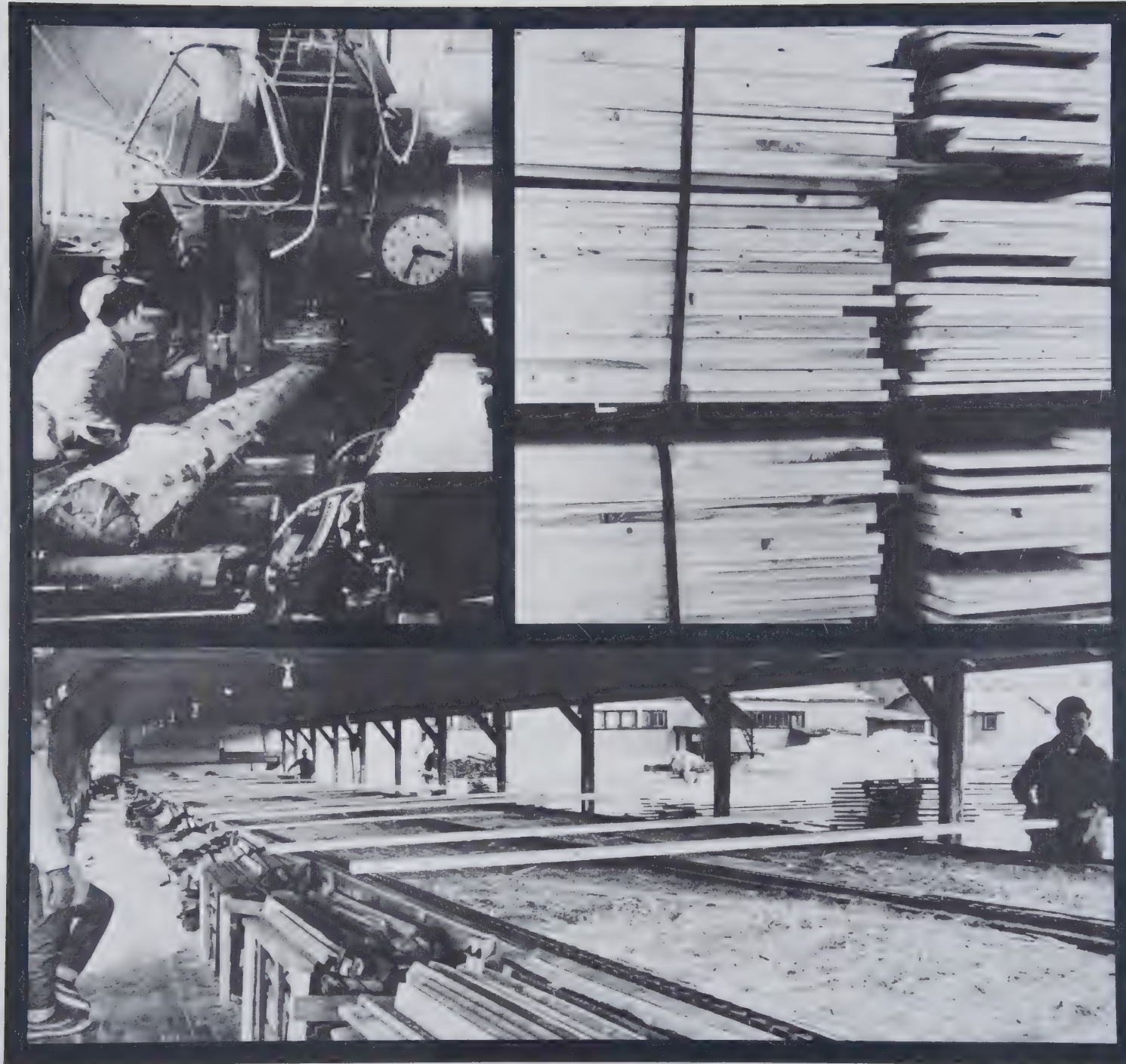
Fraser and its predecessor companies have been actively engaged in the lumber business for nearly one hundred years. To serve its expanding markets better, Fraser is aggressively increasing its capacity. In 1968, the Kedgwick mill was purchased. A modernization program is now underway which includes the building of dry kilns and the addition of another dressing mill. When completed, these changes will nearly double present capacity. The Company has also completed arrangements to market the output of another large, independent lumber mill.

Fraser markets more than 75% of its lumber in the Eastern United States, which is one of the largest lumber markets in the world, with more than five billion board feet used annually.





At Fraser's Kedgwick lumber mill, high grade logs are sawn into boards on this gang saw.



Piles of lumber await shipment to customers in Eastern Canada and Eastern United States.

After each piece of lumber has been sawn and planed, it is sorted and graded by skilled workers.



## FRASER'S PULPS

Fraser produces a wide selection of pulps. The Company operates three pulp mills located at Newcastle, Atholville and Edmundston, all in New Brunswick. The Newcastle mill is designed to produce high quality bleached, semi-bleached and unbleached hardwood and softwood sulphate pulps.

The Atholville mill produces bleached sulphite pulps. The Edmundston mill manufactures unbleached and bleached sulphite as well as groundwood pulp.

With these three pulp mills, Fraser has a total productive capacity of more than 500,000 tons a year for consumption in its own paper and paperboard mills and for markets in North America and overseas.



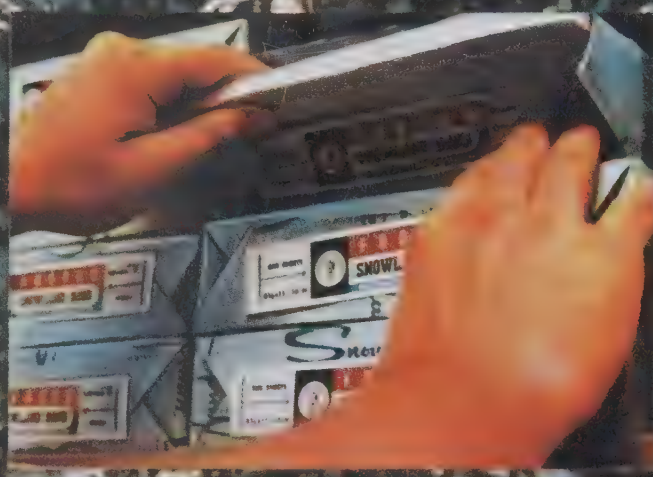
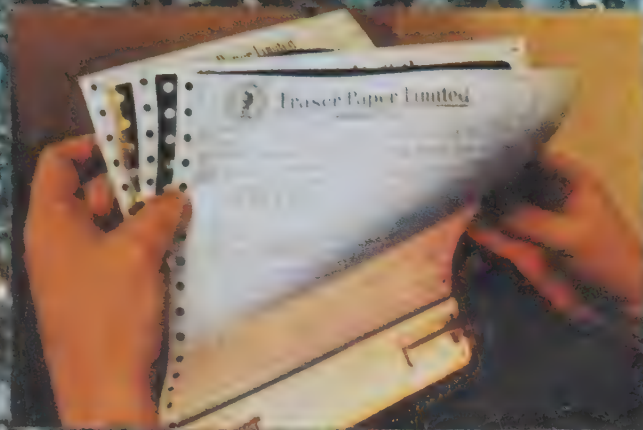


[illegible]

A wire shopping cart is filled to the brim with a variety of snack boxes and food items. The items are stacked haphazardly, with some boxes visible through the metal mesh of the cart. Recognizable brands include Kit-Nips (a blue box with yellow text), Kit-Kat (a red box with white text), and various other snack boxes like "Crack", "Bake-A-Cake", "Stuff'n", "Party Time", "Sisters", and "Bois". The background is a dense forest of evergreen trees covered in a thick layer of snow, suggesting a winter setting. The overall scene is a playful and humorous representation of a shopping trip.

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## FRASER'S WORLD OF PAPER

Fraser produces more than 200,000 tons annually of paper for four major markets: converting specialties, commercial printing, coated publications and uncoated publications. Fraser papers serve customers throughout the United States.

Fraser is a major producer of business forms papers for multiple purposes under the mill brand name of Kopy Klear Opake and Fra-O-Form. These papers are specially designed for snap sets, carbon interleaved continuous as well as high speed computer print-out forms.

Fraser makes a wide selection of specialty converting papers for packaging applications such as gift wrap, food and carton wrap; trading stamp papers, chart papers, laminating papers, etc.

At Madawaska, Maine, where Fraser has been making high quality papers for almost 45 years, the Company operates seven paper machines and two off-machine blade coaters.

Some end uses for Fraser papers are shown on these pages. They include sugar pouch paper, multiple copy forms,



As man charts his way through the unknown world of the universe, his known progress is recorded on Fraser chart papers at NASA Space centers in Cape Kennedy and Houston.



stenographic papers, Snowland Bond for typing, mail order catalog paper, telephone directory paper and publication papers.

With their many years of experience, Fraser papermakers have achieved a substantial reputation for their skills in producing the quality line of papers that makes the Company a leader in the industry.

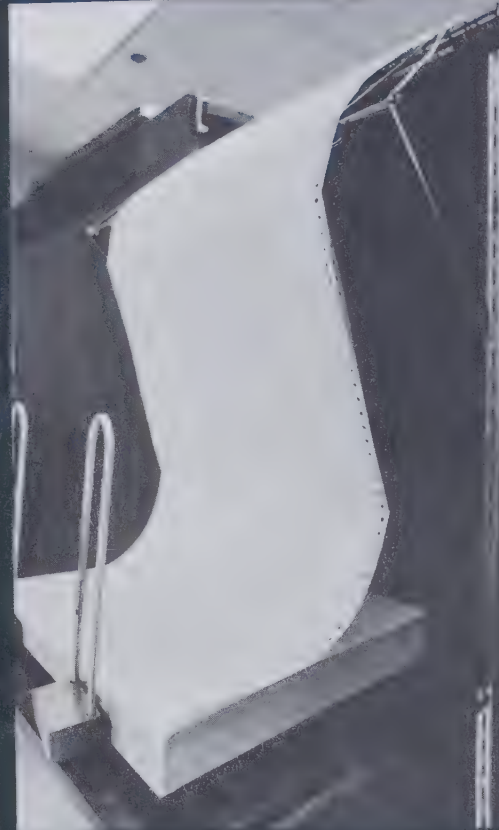
Fraser has the flexibility to produce specialty papers and at the same time provide excellent service to each customer. Management is also placing increased emphasis on the research and development of new papers.

Plans are underway to expand and to modernize still further the Company's papermaking operations to meet the growing needs for the business world of tomorrow.

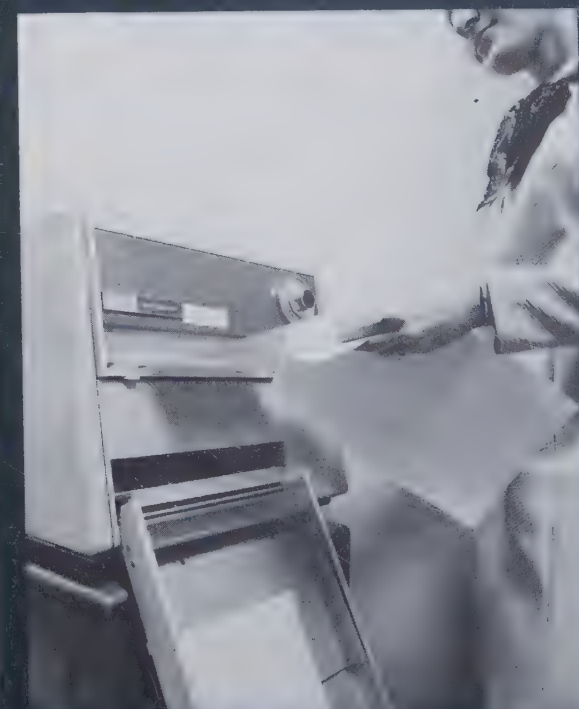
Uncoated sheet moves into the new high speed off-machine blade coater for publication papers.







A ribbon of Fraser computer paper flows from a high speed print-out machine.

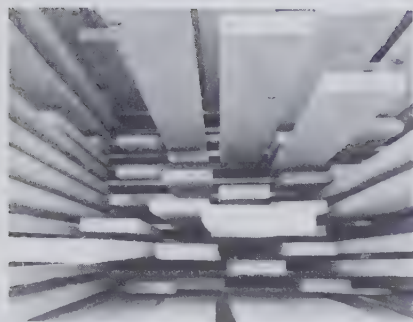


Fraser papers share in the growth of office copying systems.

The proliferation of the computer has stimulated an unprecedented growth for Fraser papers.



## FRASER'S PRODUCT WORLD AT A GLANCE



### LUMBER

*Mills:*  
Plaster Rock, New Brunswick  
W. H. Miller Company, Limited  
Kedgwick, New Brunswick  
(a wholly-owned subsidiary)

*Product:*  
Eastern Canadian Spruce

*End Use:*  
Residential and commercial buildings

*Market:*  
Eastern Canada and Eastern United States

*Sales Office:*  
Edmundston, New Brunswick



### PULP

*Mills:*  
Newcastle, Atholville and Edmundston  
New Brunswick

*Products:*  
Bleached, semi-bleached and  
unbleached hardwood and softwood  
sulphate; bleached and unbleached  
softwood sulphite; and groundwood

*Market:*  
North America and overseas

*Sales Office:*  
Royal Bank of Canada Building  
1 Place Ville Marie  
Montreal 113, Quebec



### PAPERBOARD

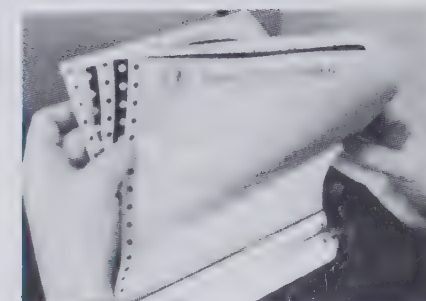
*Mill:*  
Edmundston, New Brunswick

*Products:*  
Coated and uncoated paperboard

*End Uses:*  
Packaging for food, detergents,  
cigarettes, frozen foods, pharmaceuticals,  
pet foods, etc.

*Market:*  
Canada

*Sales Offices:*  
Royal Bank of Canada Building  
1 Place Ville Marie  
Montreal 113, Quebec  
159 Bay Street, Toronto 1, Ontario



### PAPER

*Mills:*  
Fraser Paper, Limited  
Madawaska, Maine  
(a wholly-owned subsidiary)

*Bond Mill:*  
Five paper machines and one  
off-machine blade coater

*Catalog Mill:*  
Two paper machines and one  
off-machine blade coater

*Products:*  
Papers for converting specialties,  
commercial printing,  
coated and uncoated publications

*Market:*  
United States

*Sales Offices:*  
330 Madison Avenue  
New York, N.Y. 10017  
111 W. Washington Street  
Chicago, Ill. 60602



**Fraser Companies, Limited  
and Subsidiaries**  
**Consolidated  
Financial Statements**

**CONSOLIDATED STATEMENTS OF INCOME**

	Year Ended	
	December 28 1968	December 31 1967
Net sales	\$76,567,800	\$70,680,516
Cost of sales	64,889,102	60,808,656
Depreciation and depletion	5,854,237	5,461,629
Selling, general and administrative expense	3,715,721	3,640,396
	74,459,060	69,910,681
	2,108,740	769,835
Other income:		
Stumpage revenue	162,933	62,425
Interest income	14,823	26,292
	177,756	88,717
Other charges:		
Interest on long-term debt	735,420	768,750
Miscellaneous (net)	120,126	49,155
	855,546	817,905
Income before taxes	1,430,950	40,647
Provision for taxes on income	322,000	—
Net income from operations	1,108,950	40,647
Fire loss recoveries	—	579,475
Net gain on realization of fixed assets	52,264	85,643
Net income for the year	\$ 1,161,214	\$ 705,765

**CONSOLIDATED STATEMENTS OF RETAINED EARNINGS**

Balance at beginning of year	\$49,954,269	\$50,584,165
Purchase price of W. H. Miller Company, Limited in excess of book value of net assets	117,529	—
	49,836,740	50,584,165
Net income for the year	1,161,214	705,765
	50,997,954	51,289,930
Dividends	230,020	1,335,661
Balance at end of year	\$50,767,934	\$49,954,269



**Consolidated  
Balance Sheets**

**ASSETS**

**CURRENT:**

	<b>December 28 1968</b>	<b>December 31 1967</b>
Cash	\$ 222,804	\$ 168,510
Accounts receivable	8,924,907	7,969,001
Inventories, valued at cost or net realizable value, whichever is lower, comprising raw materials and supplies, goods in process and finished products, and current logging and pulpwood advances	20,494,341	21,653,818
Prepaid insurance	60,230	40,106
	<u>29,702,282</u>	<u>29,831,435</u>

**SPECIAL REFUNDABLE TAX**

— 398,266

**DUE UNDER THE STOCK PURCHASE PLAN—Note 2**

856,793 —

**INVESTMENTS AT COST:**

Rothsay Paper Corporation	2,612,000	2,612,000
Other	185,098	152,729
	<u>2,797,098</u>	<u>2,764,729</u>

**FIXED:**

Plants and properties, freehold and leasehold timber limits at cost	168,527,051	165,837,309
---	-------------	-------------

**Less:**

Accumulated depreciation	\$95,237,999	
Accumulated depletion	<u>14,500,623</u>	<u>109,738,622</u>
	<u>58,788,429</u>	<u>62,069,789</u>
	<u>\$ 92,144,602</u>	<u>\$ 95,064,219</u>



## LIABILITIES

	December 28 1968	December 31 1967
CURRENT:		
Bank indebtedness	\$ 2,638,000	\$ 7,019,000
Accounts payable and accruals	6,260,169	5,947,711
Bonds due within one year (U.S. \$750,000)	809,953	809,953
Taxes on income	117,761	343,693
	9,825,883	14,120,357
FIRST MORTGAGE AND COLLATERAL TRUST BONDS:		
5½% Series due 1970/1987 (U.S. \$13,500,000)	14,579,157	15,389,110
DEFERRED TAXES ON INCOME — Note 3	6,991,000	6,691,000
SHAREHOLDERS' EQUITY		
Common shares without nominal or par value:		
Authorized — 3,000,000 shares		
Issued — 2,300,202 shares — Note 2	5,055,628	3,984,483
Retained earnings	50,767,934	49,954,269
Reserve for possible decline in inventory values and other general purposes	4,925,000	4,925,000
	60,748,562	58,863,752
	\$92,144,602	\$95,064,219

Approved on behalf of the Board:

H. ROY CRABTREE, Director

J. H. HEUER, Director



# Consolidated Statements of Source and Application of Funds

## AUDITORS' REPORT

TOUCHE, ROSS, BAILEY & SMART  
CHARTERED ACCOUNTANTS

The Shareholders,  
Fraser Companies, Limited.

We have examined the consolidated balance sheet of Fraser Companies, Limited and subsidiaries as at December 28, 1968 and the consolidated statements of income, retained earnings and source and application of funds for the fiscal year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company and subsidiaries as at December 28, 1968 and the results of their operations and the source and application of funds for the fiscal year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

Touche, Ross, Bailey & Smart  
Chartered Accountants.

Montreal, Que.  
February 12, 1969.

		Year Ended	
		December 28 1968	December 31 1967
SOURCE			
Net income for the year		\$ 1,161,214	\$ 705,765
Depreciation and depletion		5,854,237	5,461,629
Deferred taxes on income		300,000	—
Special refundable tax		398,266	(117,708)
Sale of common stock	\$1,071,145		
Less: Due under the stock purchase plan	856,793	214,352	—
		<u>\$ 7,928,069</u>	<u>\$ 6,049,686</u>
APPLICATION			
Net additions and improvements to plants and properties		\$ 2,572,877	\$ 4,127,537
Bonds redeemable		809,953	809,953
Dividends		230,020	1,335,661
Investments increased		32,369	6,835
Purchase price of W. H. Miller Company, Limited in excess of book value of net assets		117,529	—
		<u>3,762,748</u>	<u>6,279,986</u>
Working Capital increased (decreased)		<u>4,165,321</u>	<u>(230,300)</u>
		<u>\$ 7,928,069</u>	<u>\$ 6,049,686</u>



**Notes to  
Consolidated  
Financial Statements**

**1. BASIS OF CONSOLIDATION**

In consolidating the financial statements of Fraser Paper, Limited, which operated in the United States of America, American dollars are expressed as an equal number of Canadian dollars.

The assets and liabilities of the W. H. Miller Company, Limited which was acquired as at October 31, 1968 and the results of its operations for the period from November 1, 1968 to December 28, 1968 have been included in the consolidated financial statements at December 28, 1968.

**2. STOCK PURCHASE PLAN**

Pursuant to the provisions of the stock purchase plan 74,100 common shares of the Company were issued for the account of certain employees for a total consideration of \$1,071,145. Payment for the shares is to be made by the said employees in annual installments of not less than 10% of the aggregate purchase price. At December 28, 1968 the Trustees held 66,750 common shares as collateral for the unpaid balance remaining at that date.

**3. INCOME TAXES**

The application of additional capital cost allowances, available for Canadian income tax purposes, will eliminate taxes otherwise payable for the year. The amount of this reduction (\$300,000) has been set aside and added to deferred taxes on income. The loss carry-forward of \$3,015,000 from a prior year and the additional capital cost allowances which the Company may claim when filing its 1968 Canadian income tax returns will create a loss carry-forward available for future years of approximately \$5,900,000.

The subsidiary Company, Fraser Paper, Limited, has recorded depreciation in its accounts over a period of years which exceeds the amount claimed or required to be claimed under Internal Revenue Service regulations and the application of a part of this difference has eliminated income taxes for the year. The Company has a loss carry-forward of approximately \$2,100,000 for United States income tax purposes at December 28, 1968 as a result of additional depreciation charges which it has been required to claim for the years 1967 and 1968.

**4. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

Included in the charges against income is the total remuneration of directors and senior officers of \$377,161 in 1968 (\$292,480 in 1967) of which \$185,508 (\$189,500 in 1967) was paid to directors including those who are officers.



## Ten Year Comparison

FOR THE YEAR	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959
QUANTITIES SOLD										
Paper	212,306	203,243	215,313	202,956	185,928	180,098	177,031	160,370	161,060	161,467
Paperboard	24,053	24,407	24,369	22,298	21,158	20,437	19,451	18,606	22,382	25,055
Pulp	180,463	128,731	120,831	102,276	143,523	121,598	88,407	89,936	56,846	53,874
Lumber — M f.b.m.	20,616	27,435	26,781	30,337	31,343	32,733	29,519	31,089	27,119	31,397
(Thousands of Dollars)										
Net sales	\$76,568	\$70,681	\$72,412	\$66,586	\$64,844	\$61,862	\$59,304	\$55,605	\$53,745	\$55,133
Depreciation and depletion	5,854	5,462	6,555	4,992	4,893	4,887	4,757	3,981	3,670	3,628
Taxes on income	322	—	1,642	3,499	4,003	3,571	3,925	3,311	3,380	4,271
Net income from operations	1,109	41	3,353	5,440	5,016	4,188	4,225	3,380	3,613	4,151
Other income (net)	52	665	327	371	222	3,014	27	50	39	5
Net income for the year	1,161	706	3,680	5,811	5,238	7,202	4,252	3,430	3,652	4,156
Additions to plants and properties	2,573	4,128	19,905	22,017	8,276	5,562	3,802	2,444	7,590	5,098
Bonded debt at end of year	15,389	16,199	16,199	16,549	700	1,050	1,400	1,750	2,100	2,450
PER COMMON SHARE										
Net income from operations	0.48	0.02	1.51	2.44	2.25	1.88	1.90	1.52	1.62	1.86
Net income for the year	0.50	0.32	1.65	2.61	2.35	3.23	1.91	1.54	1.64	1.87
Taxes on income	0.14	—	0.74	1.57	1.80	1.60	1.76	1.49	1.52	1.92
Dividends	0.10	0.60	1.40	1.40	1.40	1.40	1.40	1.20	1.20	1.50

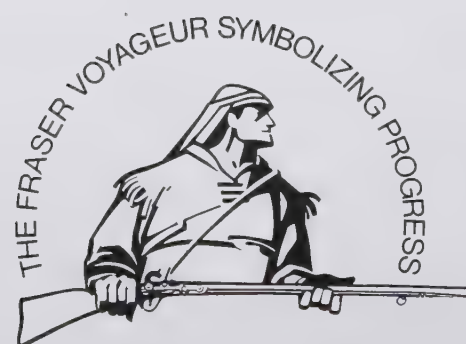
2,300,202 common shares were outstanding at December 28, 1968.

2,226,102 common shares were outstanding from 1959 to 1967 inclusive.









FRASER COMPANIES, LIMITED • EDMUNDSTON, NEW BRUNSWICK



*Fraser Companies, Limited*  
*Edmundston, N.B.*

MAR 22 1968

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the Annual General Meeting of shareholders of Fraser Companies, Limited will be held at the general office of the Company in Edmundston, New Brunswick, Canada, on Friday, the 19th day of April, 1968, at the hour of ten o'clock in the forenoon, Atlantic Standard Time, for the purpose of receiving and considering the annual report of the directors, the financial statements of the Company and the auditors' report for the year ended December 31, 1967, the election of a board of directors for the ensuing year, the appointment of auditors, to consider and, if deemed fit, approve Special By-law EE of the General By-laws of the Company the purpose of which is to delete the provision in the General By-laws of the Company requiring that a proxy for a shareholder be himself a shareholder, and the transaction of such other business that may properly come before the meeting.

If you are unable to attend in person, will you please date, complete, sign and return the enclosed instrument of proxy in the envelope provided for that purpose.

By order of the Board of Directors,  
B. W. HICKS,  
Secretary.

March 20, 1968.

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**INFORMATION CIRCULAR**  
(dated as of March 1, 1968)

This Information Circular is furnished in connection with the solicitation of proxies for use at the Annual General Meeting of shareholders of Fraser Companies, Limited (hereinafter called "the Company") to be held at the general office of the Company, Edmundston, New Brunswick, Canada, on Friday, April 19, 1968, and at any adjournment thereof. In the event that you are unable to attend the meeting personally, you are requested to date, complete and sign the accompanying instrument of proxy and to return the same to the Company in time for use at the meeting. An addressed envelope with postage prepaid accompanies this Information Circular and may be used for such purpose.

**Right of Revocation**

A shareholder giving the instrument of proxy may withdraw the same by notice in writing to the Company at any time for all subsequent purposes for which the instrument of proxy shall have been given.

**Solicitation of Proxies**

The enclosed instrument of proxy is solicited by the management of the Company. The management does not contemplate a solicitation of proxies otherwise than by use of the mails. The cost of solicitation will be borne by the Company.

**Voting Shares and Principal Holders Thereof**

There are outstanding 2,226,102 Common Shares without nominal or par value (hereinafter called "Common Shares") of the capital stock of the Company. Each Common Share entitles the holder thereof to one (1) vote per share.

The holders of Common Shares will be entitled to vote at the meeting and at any adjournment thereof if present or represented by proxy thereat.

Wabasso Limited and Sogemines Investment Limited are each holders of equity shares of the Company carrying more than 10% of the voting rights attached to all equity shares of the Company. Wabasso Limited holds 234,104 Common Shares and Sogemines Investment Limited holds 302,305 Common Shares, representing 10.5% and 13.6% respectively of the outstanding Common Shares.

**Approval of Special By-Law EE**

The purpose of Special By-law EE is to delete the provision in the General By-laws of the Company requiring that a proxy for a shareholder be himself a shareholder. Thus, a proxy for a shareholder need not himself be a shareholder. Special By-law EE was enacted by the Board of Directors of the Company on the 28th day of February, 1968, and is to be submitted to the Annual General Meeting for approval by the shareholders.



## Election of Directors

The General By-laws of the Company provide that the Board of Directors shall consist of fifteen directors to be elected annually. The term of office of each director so elected expires upon the election of his successor unless he shall resign or his office becomes vacant by death, removal or other cause.

The following persons are proposed to be nominated for election as directors of the Company:

<u>Nominees for Directors and Principal Occupation</u>	<u>Period of Service as Director</u>	<u>Approximate Number of Equity Shares of the Company Beneficially Owned, Directly and Indirectly</u>
E. R. Alexander, First Vice-President or Senior Officer, for a period in excess of the five preceding years, of Sun Life Assurance Company of Canada (Insurance Company).	1960 to date	1,000 Common Shares
F. Philippe Brais, Senior Partner, for a period in excess of the five preceding years, of Brais, Campbell, Pepper & Durand (Advocates, Barristers and Solicitors).	1946 to date	1,070 Common Shares
Ralph B. Brenan, President and Managing Director, for a period in excess of the five preceding years, of G. E. Barbour Co. Ltd. (Manufacturer and Distributor of Food Products).	1954 to date	7,252 Common Shares
Clarence T. Clark, Vice-President — Manufacturing, for a period in excess of the five preceding years, of the Company (Manufacturer of Pulp, Paper, Paperboard and Lumber).	1966 to date	550 Common Shares
H. Roy Crabtree (1), Chairman of the Board of the Company (Manufacturer of Pulp, Paper, Paperboard and Lumber) and Chairman and President, for a period in excess of the five preceding years, of Wabasso Limited (Manufacturer of Textiles).	1956 to date	81,625 Common Shares
F. Ryland Daniels, Chairman or Senior Officer, for a period in excess of the five preceding years, of Dominion Textile Company Limited (Manufacturer of Textiles).	1963 to date	10 Common Shares
John E. L. Duquet, Senior Partner, for a period in excess of the five preceding years, of Duquet, MacKay, Weldon, Bronstetter, Willis & Johnston (Advocates, Barristers and Solicitors).	1963 to date	100 Common Shares
A. A. Franck was appointed President of Sogemines Limited (Manufacturer of Cement, Chemicals and Fertilizers, and Service Industries) in April 1964. Mr. Franck was President of Indussa Corporation, New York, (General Mill Representatives; Importers and Exporters of Industrial Products) until April 1967.	1966 to date	1 Common Share
P. L. Hovey, President, for a period in excess of the five preceding years, of the Company (Manufacturer of Pulp, Paper, Paperboard and Lumber).	1963 to date	2,500 Common Shares
Roy A. Jodrey, President, for a period in excess of the five preceding years, of Minas Basin Pulp & Power Company Limited (Manufacturer of Pulp and Power).	1956 to date	22,375 Common Shares
D. E. Kerlin, Consultant, formerly President, for a period in excess of the five preceding years, of Montreal Trust Company (Trust Company).	1963 to date	25 Common Shares



<u>Nominees for Directors and Principal Occupation</u>	<u>Period of Service as Director</u>	<u>Approximate Number of Equity Shares of the Company Beneficially Owned, Directly and Indirectly</u>
K. W. Matheson, Senior Vice-President or Senior Officer, for a period in excess of the five preceding years, of the Company (Manufacturer of Pulp, Paper, Paperboard and Lumber).	1960 to date	1,077 Common Shares
A. L. Penhale, Chairman or Senior Officer, for a period in excess of the five preceding years, of Asbestos Corporation Limited (Asbestos Products).	1960 to date	100 Common Shares
Frank H. Sobey, Chairman, for a period in excess of the five preceding years, of Sobey Stores Limited (Retailer of Food Products).	1963 to date	42,135 Common Shares
Edward C. Wood, Chairman of Sogemines Limited (Manufacturer of Cement, Chemicals and Fertilizers, and Service Industries) and President of Edwood Limited (General Consultants). Prior to January 1965 Mr. Wood was Chairman of Imperial Tobacco Co. of Canada Limited (Tobacco Products).	1967 to date	2,000 Common Shares

(1) Mr. Crabtree owns directly 400 Common Shares. Treeford Limited (which is controlled by Mr. Crabtree) owns 81,225 Common Shares. In addition Mr. Crabtree's "associates", as that term is defined in The Securities Act, 1966, of Ontario, own 329,679 Common Shares, of which Wabasso Limited and The Harold Crabtree Foundation own 234,104 Common Shares and 95,575 Common Shares respectively.

## Remuneration of Directors and Senior Officers

The following information is given for the last completed financial year of the Company ended December 31, 1967, with respect to the directors and senior officers of the Company as a group.

Aggregate direct remuneration paid by the Company and its Subsidiary .....	\$292,480
Approximate aggregate cost to the Company and its Subsidiary of normal pension benefits .....	\$ 24,343

## Appointment of Auditors

Messrs. Touche, Ross, Bailey & Smart are the auditors of the Company and have held such position for a period in excess of the preceding five years. It is proposed by the management of the Company that such firm be reappointed the auditors of the Company at the Annual General Meeting.

## Designation of Proxy

The persons named in the enclosed instrument of proxy have indicated to the Company their willingness to represent as proxy shareholders desiring to so appoint them. **If, however, a shareholder desires to appoint as proxy a person other than those designated, he should strike out the names of the persons designated in the instrument of proxy and insert the name of his representative in the space provided therefor.** A person acting as proxy need not be a shareholder of the Company.

## Voting of Shares Represented by Management Proxy

**The accompanying instrument of proxy confers discretionary voting authority upon the management nominees designated therein.** The management of the Company knows of no business other than that to which reference is made in the Notice of the Annual General Meeting to come before the meeting. If, however, any other business properly comes before the meeting, it is the intention of the management nominees designated therein to vote the shares represented by such proxy in accordance with their best judgment.

By order of the Board of Directors,  
B. W. HICKS,  
Secretary.







*Fraser Companies, Limited*  
*Edmundston, N.B.*

June 11th, 1968.

**To the Shareholders of Fraser Companies, Limited**

Accompanying this letter is a Notice of a Special General Meeting of shareholders to be held at the general office of the Company in Edmundston, New Brunswick, Canada, on Wednesday, the 26th day of June, 1968, at the hour of four o'clock in the afternoon, Atlantic Daylight Time, for the purpose of considering Special By-law FF, a copy of Special By-law FF, an Instrument of Proxy for use in connection with the Special General Meeting, a return envelope, and an Information Circular.

The purpose of Special By-law FF is to authorize the Company, amongst other things, to make, adopt and enter into any agreement, arrangement or scheme (hereinafter and in the By-law referred to as "plan") for the purpose of affording to such officers and employees of the Company as may, from time to time, be designated by resolution of the Board of Directors an opportunity to purchase through trustees common shares of the capital stock of the Company upon terms and conditions specified by any such plan and by resolution of the Board of Directors, and to authorize the Company to furnish to such trustees the money required for the purchase from the Company of such common shares as fully paid and non-assessable.

Following the sanction of Special By-law FF by the shareholders of the Company, the Board of Directors intends to establish a stock purchase plan pursuant to which certain senior officers and employees to be designated by the Board of Directors will be granted the right to purchase a specified number of common shares of the Company. The aggregate number of common shares to be so purchased will not exceed one hundred and ten thousand (110,000) common shares.

The establishment of a stock purchase plan will, in the opinion of the Board of Directors, foster and encourage in the senior officers and employees a proprietary interest in the affairs of the Company. The Board of Directors, therefore, recommends that Special By-law FF be sanctioned by the shareholders of the Company at the Special General Meeting.

H. ROY CRABTREE  
*Chairman of the Board.*

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**NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that a Special General Meeting of shareholders of Fraser Companies, Limited will be held at the general office of the Company in Edmundston, New Brunswick, Canada, on Wednesday, the 26th day of June, 1968, at the hour of four o'clock in the afternoon, Atlantic Daylight Time, to consider and, if deemed fit, to ratify, approve, sanction and confirm Special By-law FF of the By-laws of the Company enacted by the Board of Directors on the 31st day of May, 1968, the purpose of which is to authorize the Company, amongst other things, to make, adopt and enter into any agreement, arrangement or scheme (hereinafter and in the By-law referred to as "plan") for the purpose of affording to such officers and employees of the Company as may, from time to time, be designated by resolution of the Board of Directors an opportunity to purchase through trustees common shares of the capital stock of the Company upon terms and conditions specified by any such plan and by resolution of the Board of Directors, and to authorize the Company to furnish to such trustees the money required for the purchase from the Company of such common shares as fully paid and non-assessable.

A copy of Special By-law FF accompanies this Notice.

If you are unable to attend the meeting in person, will you please date, complete, sign and return the accompanying Instrument of Proxy in the envelope provided for that purpose.

By order of the Board of Directors,  
B. W. HICKS,  
*Secretary.*

June 11th, 1968.



## SPECIAL BY-LAW FF

BE IT AND IT IS HEREBY MADE, PASSED AND ENACTED AS A BY-LAW OF THE COMPANY:—

1. THAT the Company, for the purpose of affording to such officers and employees of the Company (including any Director or Directors holding a salaried employment or office in the Company) as may from time to time be designated by resolution of the Board of Directors of the Company an opportunity to purchase common shares of the capital stock of the Company, may, if it be so determined by resolution of the Board of Directors of the Company, from time to time make, adopt and enter into any such agreement, arrangement or scheme (hereinafter generally called a "plan") in such form and containing such provisions, terms and conditions not inconsistent herewith, all as may from time to time be approved by resolution of the Board of Directors of the Company, with such trustee or trustees as the Board of Directors of the Company may from time to time by resolution appoint, which may provide, amongst other things, for: —
  - (a) the granting, by the Company to such trustee or trustees for the benefit of any such officers and employees so designated, of rights (exercisable at such time or times, present or future, as may be determined by resolution of the Board of Directors of the Company) to purchase common shares of the capital stock of the Company under, pursuant to and in accordance with the provisions of any such plan;
  - (b) the issue, by the Company to such trustee or trustees, of any common shares in respect of which any such rights to purchase common shares shall have been exercised and the holding thereof by such trustee or trustees for the benefit of any such officers and employees so designated for the benefit of whom such trustee or trustees shall have exercised any such rights to purchase common shares, until the amount of the purchase price thereof repayable by any such officers and employees shall have been fully paid with interest, if any, subject to the right and, if so determined by resolution of the Board of Directors of the Company, the obligation of such trustee or trustees to sell any such shares in the event of the failure of any such officers and employees to repay such amount of the purchase price of any such shares and interest thereon, if any, or any instalment thereof, as and when the same becomes due and payable;
  - (c) the provision, by the Company to such trustee or trustees for the benefit of any such officers and employees so designated, of the whole or any part of the money required for the purchase from the Company, as fully paid and non-assessable, of the common shares of the capital stock of the Company to be issued upon the exercise of any such rights to purchase common shares;
  - (d) the indemnification of such trustee or trustees and any agent or agents thereof by the Company against any and all claims, losses, costs, damages and expenses which such trustee or trustees may incur or suffer in the performance of such trustee's or trustees' duties under any such plan, except such as may result from such trustee's or trustees' own wilful neglect or default;
  - (e) the remuneration of any such trustee or trustees and any agent or agents thereof by the Company; and
  - (f) such other and additional matters as may be approved by resolution of the Board of Directors of the Company.
2. THAT the officers and employees (including any Director or Directors holding a salaried employment or office in the Company) for the benefit of whom any such rights to purchase common shares of the capital stock of the Company under any such plan may be granted and the number of such common shares in respect of which any such rights to purchase may be granted for the benefit of each such officer or employee shall be such as may be approved from time to time by resolution of the Board of Directors of the Company, provided, however, that the total number of common shares of the capital stock of the Company in respect of which any such rights to purchase may be granted pursuant to any such plan shall not in the aggregate exceed one hundred and ten thousand (110,000) such common shares.
3. THAT the price at which common shares of the capital stock of the Company may from time to time be issued under any such plan shall be fixed from time to time by resolution of the Board of Directors of the Company but under no circumstances, in the case of any such issue, shall such price be less than ninety per centum (90%) of (a) the average sale price for board lots of common shares of the capital stock of the Company on the Montreal Stock Exchange or on the Toronto Stock Exchange on the respective business day (hereinafter called "such business day") next preceding the day on which any rights to purchase common shares under any such plan are authorized by the Board of Directors of the Company to be granted; or (b) if there shall have been no sale of board lots of such common shares on either such Exchange on such business day, then the last bid price for board lots of common shares of the Company on either such Exchange on such business day.
4. THAT any such rights to purchase common shares of the capital stock of the Company shall be granted in such form and shall be subject to such provisions, terms and conditions not inconsistent herewith as may from time



to time be approved by resolution of the Board of Directors of the Company, provided, however, that no such rights shall be and remain effective for a period longer than thirty (30) days to be calculated from and including the date on which any such respective rights are authorized by resolution of the Board of Directors of the Company to be granted.

5. THAT the amount of the purchase price of any such common shares issued under any such plan shall be payable to the trustee or trustees by the respective officers and/or employees for the benefit of whom any such rights to purchase common shares of the capital stock of the Company shall have been exercised, in such instalments, at such time or times, in such amounts, without interest or with interest at such rate or rates and upon and subject to such provisions, terms and conditions, all as may from time to time be approved by resolution of the Board of Directors of the Company, provided, however, that such amount shall be so payable within not more than ten (10) years to be calculated from and including the respective dates of any applications by any such officers and/or employees so designated to purchase shares.

## **INFORMATION CIRCULAR**

**(dated as of June 1, 1968)**

This Information Circular is furnished in connection with the solicitation of proxies for use at the Special General Meeting of shareholders of Fraser Companies, Limited (hereinafter called the "Company") to be held at the general office of the Company, Edmundston, New Brunswick, Canada, on Wednesday, June 26, 1968, and at any adjournment thereof. In the event that you are unable to attend the meeting personally, you are requested to date, complete and sign the accompanying Instrument of Proxy and to return the same to the Company in time for use at the meeting. An addressed envelope with postage prepaid accompanies this Information Circular and may be used for such purpose.

### **Right of Revocation**

A shareholder giving the Instrument of Proxy may withdraw the same by notice in writing to the Company at any time for all subsequent purposes for which the Instrument of Proxy shall have been given.

### **Solicitation of Proxies**

The enclosed Instrument of Proxy is solicited by the management of the Company. The management does not contemplate a solicitation of proxies otherwise than by use of the mails. The cost of solicitation will be borne by the Company.

### **Voting Shares and Principal Holders Thereof**

There are outstanding 2,226,102 common shares without nominal or par value (hereinafter called "common shares") of the capital stock of the Company. Each common share entitles the holder thereof to one (1) vote per share.

The holders of common shares will be entitled to vote at the meeting and at any adjournment thereof if present or represented by proxy thereat.

Wabasso Limited and Sogemines Investment Limited are each holders of equity shares of the Company carrying more than 10% of the voting rights attached to all equity shares of the Company. Wabasso Limited holds 234,104 common shares and Sogemines Investment Limited holds 302,305 common shares, representing 10.5% and 13.6% respectively of the outstanding common shares.

### **Approval of Special By-law FF**

The purpose of Special By-law FF is to authorize the Company, amongst other things, to make, adopt and enter into any agreement, arrangement or scheme (hereinafter and in the By-law referred to as "plan") for the purpose of affording to such officers and employees of the Company as may, from time to time, be designated by resolution of the Board of Directors an opportunity to purchase through trustees common shares of the capital stock of the Company upon terms and conditions specified by any such plan and by resolution of the Board of Directors, and to authorize the Company to furnish to such trustees the money required for the purchase from the Company of such common shares as fully paid and non-assessable.

Following the sanction of Special By-law FF by the shareholders of the Company, the Board of Directors of the Company intends to establish a stock purchase plan pursuant to which certain senior officers and employees to be designated by the Board of Directors will be granted the right to purchase a specified number of common shares of the Company. The aggregate number of common shares to be so purchased will not exceed 110,000 common shares.



## Remuneration of Directors and Senior Officers

The following information is given for the last completed financial year of the Company ended December 31, 1967, with respect to the directors and senior officers of the Company as a group.

Aggregate direct remuneration paid by the Company and its Subsidiary .....	\$292,480
Approximate aggregate cost to the Company and its Subsidiary of normal pension benefits .....	\$ 24,343

## Interest in Material Transactions

The Company proposes to enter into a contract with Mr. John H. Heuer with effect as and from the 15th day of April, 1968, providing, amongst other things, for his employment as Chief Executive Officer of the Company, for the payment to him of a salary and for the establishment of a stock purchase plan to which reference is hereinbefore made in which he will be permitted to participate with other senior officers and employees of the Company.

## Designation of Proxy

The persons named in the enclosed Instrument of Proxy have indicated to the Company their willingness to represent as proxy shareholders desiring to so appoint them. **If, however, a shareholder desires to appoint as proxy a person other than those designated, he should strike out the names of the persons designated in the Instrument of Proxy and insert the name of his representative in the space provided therefor.** A person acting as proxy need not be a shareholder of the Company.

## Voting of Shares Represented by Management Proxy

**The accompanying Instrument of Proxy confers discretionary voting authority upon the management nominees designated therein.** The management of the Company knows of no business other than that to which reference is made in the Notice of the Special General Meeting to come before the meeting. If, however, any other business properly comes before the meeting, it is the intention of the management nominees designated therein to vote the shares represented by such proxy in accordance with their best judgment.

By order of the Board of Directors,  
B. W. HICKS,  
*Secretary.*